

Impact Analysis of OTT on the Cinema

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Abstract

Watching movies and other digital content in India has always been a part of the lifestyle that provides relaxation from the chaotic life. With the ease of Internet speed and rise of smartphones; the OTT platforms like Netflix, Prime Video, Hotstar have eclipsed the cinemas and television into another level. People from all age groups love to consume digital content via movies, web series, one-shot films, etc. The key aspect has been the shift in the medium on which these movies and series are consumed. The purpose of this research is to understand the perspective of content watchers and their preferences of OTT over cinemas or vice-versa and to predict how will it impact the future trends in entertainment industry.

Keywords

OTT Platforms, Cinema, Content Driven Media, Digital Mainstream, Industry

Introduction

A) Aim and Objectives

1. Aim: To understand and analyse the shift in content consumption medium from Cinemas to Over the Top (OTT) platforms and its future implications.
2. Objectives :
 - To find out people's preferences and the rationale behind choosing Cinemas or OTT platforms.
 - To understand the psychological and physical influences on people for preferring one media over the other.
 - To differentiate between Cinemas and OTT on the basis of several aspects that influence consumer preferences.
 - To predict the future trend in the movie and entertainment sector in India.

B) Introduction to OTT - The Rising Stream

Over-the-top (OTT) platforms are video and audio streaming and viewing sites that began as content streaming channels but quickly expanded into the creation and distribution of short films, motion pictures, documentaries, and web series itself.

These apps have a variety of content and utilize artificial intelligence to recommend content to consumers depending on their earlier browsing history on the app. Most OTT sites have some free content and require a monthly membership fee for paid content that is not available elsewhere.

The premium content is typically developed and distributed by the OTT platform itself, in collaboration with existing production houses that have previously produced feature films.

OTT is no longer an experiment or an internet geek's fancy. Today, television is increasingly delivered over the internet and new media companies are joining the race towards market dominance. Netflix has been around for so long you might think its market position is unflinching. But it's still not too late for new players to try to establish their market presence. The successes of Disney+ launched only last year but managed to exceed 28 million subscribers already.

OTT also enables access to live streaming. These work much like channels in regular TV, but the content is streamed using the Internet connection to the audience's OTT devices / set-top boxes.

The US SVOD market is one of the biggest in the world. It is expected there will be a dozen OTT platforms with more than 5 million paying subscribers by the year 2025.

Growth for the big players such as Amazon Prime and Netflix is bound to slow down due to intense competition from younger rivals such as Disney+ and Peacock TV. This also explains the increasingly evident content license tug-of-war going on and an increased push to produce original content – like Netflix does.

Ad audiences in the OTT space can be precisely built and targeted super-personalized ads. This gives advertisers robust possibilities to quantify the impact and calculate ROI more accurately.

OTT services which operate on a paid subscription basis can also run ads. With tiered packages, they can allow viewers to decide whether they're more after ad-free experiences or free, but ad-supported access.

C) Introduction to Cinema - The Traditional Stream

Technically, the word itself derives from the ancient Greek, kinema, meaning movement. Historically, it's a shortened version of the French cinematographe, an invention of two brothers, Auguste and Louis Lumiere, that combined kinema with another Greek root, graphien, meaning to write or record.

The "recording of movement" seems as good a place as any to begin an exploration of the moving image. And cinema seems broad (or vague) enough to capture the essence of the form, whether we use it specifically in reference to that art house film, or to refer to the more commonplace production and consumption of movies, TV, streaming series, videos, interactive gaming, VR, AR or whatever new technology mediates our experience of the moving image. Because ultimately that's what all of the above have in common: the moving image.

Cinema, in that sense, stands at the intersection of art and technology like nothing else. As an art form it would not exist without the technology required to capture the moving image. But the mere ability to record a moving image would be meaningless without the art required to capture our imagination.

But cinema is much more than the intersection of art and technology. It is also, and maybe more importantly, a powerful medium of communication. Like language itself, cinema is a surrounding and enveloping substance that carries with it what it means to be human in a specific time and place. That is to say, it mediates our experience of the world, helps us make sense of things, and in doing so, often helps shape the world itself.

It's why we often find ourselves confronted by some extraordinary event and find the only way to describe it is: "It was like a movie."

D) OTT on Cinema - Which Platform has got the better future ?

The film and TV industry is faced with a new challenge in the form of OTT platforms. With these, content can be accessed anywhere for a relatively low fee. This has led to an increase in viewership on these sites, which threatens the movie theater industry's dominance over cinema-goers. In addition, many of these platforms are not just viewing but also creating their content, which is blurring the lines between cinema and TV.

The traditional distribution model for films has been one in which movies are released in theaters before being made available on DVD, TV, and other platforms. However, OTT platforms disrupt this model by making movies available online immediately after they premiere in theaters. This is particularly problematic for the movie theater industry, as it results in a loss of revenue from people who would have gone to the theater to watch the movie.

OTT platforms disrupt the traditional distribution model for films. This is hurting DVD and TV sales, as people are increasingly choosing to watch movies online instead of buying or renting DVDs or watching them on TV.

The increasing of OTT platforms has also led to a rise in piracy, as people are increasingly turning to illegal means to watch content online. This is particularly true for movies, as they are often released online before premiering in theaters.

It will become much easier to make piracy for new release movies or shows. There are many options available to download the content from sources and can have chances to upload them on the Internet widely.

The increase in OTT platforms has led to a shift in spending from movies to TV. This is because people increasingly choose to watch TV shows online instead of going to the movies. This is a problem for the film industry, resulting in a decline in revenue.

E) Conclusion

The impact of OTT (Over-The-Top) services on the film industry are both significant and continuing to grow. These platforms are releasing the movies in a modern way, able to download content and watch them anytime, anywhere, and impacting box office collections.

It also changes the mindset of viewers, which is hurting the cinema industry as people stop watching on silver screens. The film industry needs to adapt to the changing landscape to survive and thrive in the future.

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